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E.O. 12958: DECL: 07/13/2029

TAGS: PGOV KDEM VE

SUBJECT: THE AMBASSADOR'S MEETING WITH CARABOBO GOVERNOR  
HENRIQUE SALAS FEO

CARACAS 00001038 001.2 OF 002

Classified By: ACTING POLITICAL COUNSELOR DARNALL STEUART,  
FOR REASON 1.4(D)

¶1. (C) Summary: The opposition Governor of Carabobo State, Henrique "El Pollo" Salas Feo, and his father and former governor and presidential candidate Henrique Salas Romer requested a meeting with the DCM and Ambassador August 6. They voiced their concerns about the national impact that the central government's takeover of Puerto Cabello would have, warning of the potential for a groundswell of social unrest. They also assessed that President Chavez was gradually losing his popular footing, and that it would be governors and mayors, including those within the United Socialist Party of Venezuela (PSUV) that will ultimately challenge him. End Summary.

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CENTRALISM VS. FEDERALISM  
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¶2. (C) Salas Feo opened the meeting by warning that workers at Puerto Cabello, Venezuela's largest port, had been on strike for the past week and that this could spark social unrest given the area's regionalist character. (Note: The GBRV authorized the creation of Puertos de Alba on July 29. This 51 percent Venezuelan/49 percent Cuban entity will reportedly be responsible for the development of physical infrastructure at all Venezuelan and Cuban ports. End Note.)

A Ford Motor Company executive had cautioned Salas Feo that he would have to suspend production of the kits on which the factory depends if the situation at the ports did not change.

Puerto Cabello is also the principle maritime port of entry for vital food imports. Salas Feo noted that "Puerto Cabello is critical for Carabobo, but it is also critical for all of Venezuela." He expressed his concern that dock workers -- two-thirds of which are Chavistas -- might wreak havoc if they perceive that the central government does not honor their contracts, including paying their full salaries.

(Note: On 7 August, however, the dock workers announced that they were ending the strike and returning to work. End Note.)

¶3. (C) Salas Romer assessed that as Chavez's popularity has begun to drop, there has been a growing level of public discontent. He suggested that a "rejection-meter" would show a gradual incline, and he warned that this could eventually generate a groundswell of grassroots opposition against the GBRV. Salas Romer also suggested that governors and mayors, not political parties, are Chavez's only credible political opposition. As officials elected in their own rights, they have democratic legitimacy and a base of popular support. Salas Romer opined that Chavez's policies of stripping them of their authority and resources creates a conflict between

centralism and federalism. He noted that during the dearth of national leadership in 1993, the country continued functioning largely because the governors remained to provide continuity and manage their individual states. Salas Romer said that PSUV governors and mayors may be Chavistas in terms of philosophy, but that they also constitute his greatest potential competition. These PSUV officials have suffered along with their opposition counterparts from the withdrawal of funding and the transfer to the central government of state and local functions.

¶4. (C) Salas Romer went on to suggest that there is "invisible" opposition within the PSUV, pointing as an example to National Assembly (AN) President Cilia Flores' announcement that the AN would not yet grant Chavez's request for "enabling" decree powers. He dismissed opposition political parties as being too small and debilitated to mount any real challenge against Chavez.

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COMMENT  
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¶5. (C) The Salas family, which founded its own regional Project Venezuela party, has long been skeptical of other political opposition parties and their efforts to unify and/or challenge Chavez. Their perception that Chavez is slipping and that only bottom-up social unrest will unseat him is a common refrain among the opposition, although they are vague on how this discontent will translate into political action. Salas Feo has been content to isolate himself from more vociferous members of the opposition and focus on governance over confrontation with the central government, but Chavez's efftive seizure of Puerto Cabello -- the most imoprtant port in Venezuela -- has denied the

CARACAS 00001038 002.2 OF 002

state substantial revenue and appears to have left him feeling vulnerable.

DUDDY